

APPENDIX A
PROJECT DESCRIPTION
DANSAK FARMS LIMITED – PAPAYA PLANTATION OAG

I. Introduction

This appendix describes the activities to be undertaken and the results to be achieved with the funds obligated under this agreement. Nothing in this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

Dansak is a papaya growing and marketing company situated in the Akwapim South District of Ghana. The company's main activity is exporting papaya to the European Union (EU), where demand is strong and growing for Dansak's two main varieties of papaya: Golden Calliman and Solo. In addition to Ghana's unique climatic conditions and favorable soil for papayas, Dansak leverages the competitive advantage of its relatively close proximity to the EU.

Given the high growth of the EU export market at 21 percent, the company is facing a demand-driven market; however Dansak is not yet positioned to leverage the full potential. It needs to expand its own acreage, solidify its out-grower program and ensure that all farming and business practices are at international standards.

III. Funding

A. ADF Contribution

The financial plan for ADF contribution is set forth in Appendix A-1 to this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 7 of the Agreement and do not make ADF's contribution to exceed the obligated amount specified in Article 3, section 3.1 of the Agreement.

B. Dansak Contribution

Dansak will contribute the time and labor of its management team and employees to the project.

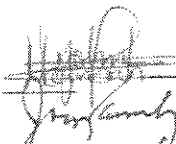
IV. Project Goal

The goal of the project is to promote employment growth and income enhancement for the poor in Ghana.

ADF



Dansak


12/09/07

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V. Project Purpose

The purpose of the project is to improve Dansak's prospects for sustained expansion as indicated by the development of a comprehensive five-year business plan that ADF deems suitable for funding by a donor or other financial institution.

VI. Project Outputs

- A. A comprehensive business plan based on a detailed analysis of the market outlook for papayas:
 - a thorough customer-oriented evaluation of the export and local markets including overall supply, demand, and pricing trends and key buyers and distributors;
 - an assessment of Dansak's key investment requirements, especially on post-harvest handling, and a financial model for potential investors projecting growth and return on investment; and
 - an evaluation of fair trade and organic options.
- B. An operational platform on which Dansak can implement an expansion plan as indicated by:
 - an enhanced financial management system and demonstrated ability of accounting and management team to utilize on a regular basis;
 - a comprehensive environmental impact assessment and remediation plan;
 - documentation of best agronomic, quality control and post-harvest handling approach including detailed implementation plans; and
 - an operational dashboard that lays out the key operational and agronomic targets (quality, reliability, consistency) that Dansak needs to be successful in the global marketplace.
- C. An out-grower program and plan that will ensure adequate supply to meet demand:
 - benchmark against international best practices; and
 - documentation of key governance and operational practices, especially working relationship between Dansak and the out-growers.
- D. A complete assessment and testing of drip irrigation system.

VII. Major Activities to be financed under the Agreement

- A. Business Plan

Dansak will conduct a market study, develop a detailed investment and financial model. Dansak will evaluate fair trade and organic options and initiate the process

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to acquire fair trade and organic certifications if doing so is in the best interest of the company.

B. Operations Enhancement

An external consultant will provide managerial training to the Dansak management team. An agronomist will train the Farm Manager and Farming Supervisors in the practical application of the agronomic procedures and general farming practices. An external consultant will provide training in setting up an accounting system for Dansak. The consultant will also develop procedure manuals for the association.

C. Outgrower Expansion

Dansak will evaluate and document best practices in outgrower organization and management, develop documentation and conduct outreach. In addition, Dansak will conduct outreach and preliminary recruitment of smallholder farms to participate in the outgrower scheme.

D. Technical Assessment

Dansak will undertake a technical analysis and impact assessment of the irrigation system extension. An external consultant will train management and workers on how to maintain high quality standards at all times.

VIII. Roles and Responsibilities of the Parties

ADF's Partner INPRODEC will provide the necessary standard ADF training in bookkeeping, monitoring and assessment. Dansak is responsible for ensuring the proper management and implementation of the Project. The ADF partner in Ghana will provide Dansak with technical management assistance during the implementation of the project.

IX. Monitoring and Evaluation

INPRODEC will closely monitor the activities of Dansak to ensure proper reporting, adherence to the project implementation plan by the Grantee and movement towards the achievement of project objectives. INPRODEC will continuously assess the project risk and take remedial actions as needed. Monitoring by INPRODEC will be an important aspect of the ongoing coaching and advisory service. INPRODEC will review Dansak quarterly reports and will submit comments and observations to the management of Dansak.

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
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